



Fiem Industries Limited
Q4 FY26 Earnings Conference Call

June 01, 2026



COMPANY MANAGEMENT

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| - MR. J.K. JAIN– EXECUTIVE CHAIRMAN | - MR. RAHUL JAIN- MD |
| - MR. RAJESH SHARMA– JMD | - MS. AANCHAL JAIN - JMD |
| - MR. ARVIND CHAUHAN– CS | - MR. O.P. GUPTA– CFO |
| | - OTHER FINANCE TEAM MEMBERS |

HOSTED BY

MR. SAHIL SANGHVI – MONARCH NETWORTH CAPITAL

Moderator:

Ladies and gentlemen, good day, and welcome to the Fiem Industries Limited Q4 FY26 Earnings Conference Call hosted by Monarch Network Capital Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all the participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I'll now hand the conference over to Mr. Sahil Sanghvi from Monarch Network Capital Limited. Thank you, and over to you, sir.

Sahil Sanghvi:

Thank you, Jitesh. Good evening, everyone. On behalf of Monarch Network Capital, I welcome you all to the Q4 and FY26 Conference Call of Fiem Industries Limited. We will start the call with the initial comment about the results and the future outlook of the company, and then we will open the floor for question and answers.

Now I hand over the call to Mr. J.K. Jain, the Executive Chairman of the company. Over to you Jain Sir.

J. K. Jain:

Thank you. Good afternoon, and welcome to the Q4 FY26 and Full Year FY26 Earnings Call of the Fiem Industries Limited. Joining me on today's call are Rahul Jain, Managing Director; Aanchal Jain, Joint Managing Director; Rajesh Sharma, Joint Managing Director; Arvind Chauhan, Company Secretary; O.P. Gupta, CFO; and other members of the finance team. Our investor presentation and the results are now available on our website and the stock exchange. We trust you have reviewed the same. Let me begin with the macro environment during FY26.

Geopolitical tension, currency fluctuations and cost pressures continue to shape up the operating environment for business across the world yet the Indian automotive industry remained resilient, driven by strong fundamentals and continued innovation. Against this backdrop, Fiem delivered its strongest performance to date. This achievement reflects the strength of our customer relationship and resilience of our business model and enduring value of and the capabilities we have built over the years.

Let me now turn to the 2-wheeler industry. FY26 marked an important milestone as industry production exceeds the pre-pandemic peak achieved in FY19. Production volumes for the year grew about 12% to an all-time high of roughly 26.7 million units. Growth was driven by improving rural demand, shift towards premium vehicles and the steady adoption of the electric vehicles.

Coming to the Fiem performance, I am very pleased to report that FY26 has been a record year for the company on every key measures. We delivered strong revenue growth and all-time high profit and our best ever margins. For the full year, our revenue grew by about 16% and the profit after tax grew even faster by 24%.

Our EBITDA margin also reached a record level, supported by operating leverage and the benefit of our integrated manufacturing models. Let me share a few highlights of the strong progress with our key customers. At TVS, we remain a trusted partner across major platforms, including the iQube, Jupiter, Moped and motorcycle. This reflects the depth of our long-standing relationship. With Honda, our relationship continues to expand, including on Activa EV platform and several new models under development.

At Royal Enfield, we support key models such as the Classic and are also participated in the emerging EV initiatives. We also recorded healthy growth with Suzuki and Yamaha during the year. At Hero, we achieved an important milestone with approval for a new upcoming EV platform, creating opportunities to further expand our presence in the fast-growing electric mobility segment. Importantly, most of the new business we are winning in LED. This reinforce both the industry's technology transition and the Fiem leadership in advanced automotive lighting.

Alongside growth, we continue to invest in the future. As a part of our long-term commitment to responsible manufacturing, I am pleased to share that we have started our journey into green power. We have commenced the rollout of the rooftop solar and open access renewable energy across our plants.

At our Hosur facility, around 65% of our energy needs are already met through solar power with a further 20% being added through wind energy. We intend to roll out this model across all our other plants over the coming years. This will help reduce our energy costs, improve operational stability and advance our goal and becoming a carbon-neutral company.

Now turning my attention to the 4-wheeler segment. We continue to see significant traction in the business and will start fulfilling key orders for clients like Mahindra & Mahindra starting this year. As you know that Mr. Vineet Sahni has stepped down as CEO to pursue another opportunity. This transition has been smooth and well planned. The leadership responsibilities have been assumed by our Managing Director, Mr. Rahul Jain, who will continue to drive the company's growth agenda with particular focus on expanding our 4-wheeler business.

I am also delighted to share that Ms. Aanchal Jain has been appointed Joint Managing Director. She will work in tandem with Mr. Rajesh Sharma, our existing Joint Managing Director, who has a vast experience in the automotive industry. Their combined experience and leadership will further strengthen the company's management team.

As we look ahead to FY27, I remain confident about the opportunities before us. The industries continue to benefit from healthy underlying demand, while the shift towards premium technology-rich vehicles align closely with our strength and capabilities, supported by a strong order book and a robust customer pipeline, we are well positioned for the next phase of the growth.

With this, I now hand over to Mr. O.P. Gupta and the finance team to take you through the detailed finance performance.

O P Gupta: Thank you, sir. Good afternoon to everyone. First, I will present Q4 numbers, after which I will cover the full year FY26. The company has registered quarterly sales of INR744.35 crores in Q4 of FY26 as compared to INR633.8 crores over the same quarter last year, registering a growth of 17.44%. The EBITDA in Q4 was INR109.18 crores translating into an EBITDA margin of 14.67% as compared to INR83.81 crores over the same quarter last year with EBITDA margin of 13.22%. The PAT of the company has also increased to INR70.59 crores as compared to INR57.69 crores in Q4 of FY25, representing an increase of 22.36%.

Now, I will briefly cover the numbers of full financial year 25-26. During FY26, the company has achieved net sales of INR2,790.65 crores as compared to INR2,404.96 crores in FY25, representing a growth of 16.04%. EBITDA stood at INR393.34 crores translating into an EBITDA margin of 14.09% as compared to INR320.73 crores during FY25, translating into an EBITDA margin of 13.34%.

As a percentage of total automotive lighting, the LED lighting stands at ~~60%~~ (63%) in comparison to 60% during last 3 years. PAT of the company stood at INR253.87 crores as compared to INR204.14 crores during FY25, which is higher by 24.36%. I am also pleased to share that the Board has recommended a final dividend of 400%, that is INR40 per share amounting to INR105.28 crores. During the year, the company has made a capex of INR108.31 crores.

With this, I end the financial brief, and now the floor is open for question and answers. Thank you.

Moderator: The first question is from the line of Arun Agarwal from Kotak Securities. Please go ahead. I'm sorry the line got disconnected. The next question is from the line of Anubhav Mukherjee from Prescient Capital. Please go ahead. Anubhav Sir. Can you hear me? I request you to disconnect the line and please rejoin. We are not audible. The next question is from the line of Dilip Verma, an Individual Investor.

Dilip Varma: This year, the receivable amount has just jumped up. So I just wanted to know what are we liable to get that money back from our customers?

Management: Sorry, your voice is not clear. Can you speak loudly?

Dilip Varma: I had a question regarding receivables....

Moderator: Sorry to interrupt, sir. Sir, your voice is very low, sir. -- can you please raise your handset because we can hardly hear you.

Dilip Varma: Okay. I'm speaking into my handset. What I wanted to ask was that the receivables have shot up this year versus last. I was just wondering if there was a problem with any of our customers and are we able to get our money back?

Management: Yes. This is Arvind. You are seeing the numbers, you are right. There is some increase in the number of debtors, but please understand there is no change in the payment terms. Earlier, we used to discount the bills from our major -- two major customers, one is the TVS. Now company

has good cash flows and cash available. So we discontinued the bill discounting, and this is the only difference of the numbers. Otherwise, there is no difference in the terms of the payment.

Moderator: The next question is from the line of Khush Nahar from Electrum PMS.

Khush Nahar: So, a couple of questions. So first, I think on a yearly basis, the other expenses and employee cost has increased in comparison to the revenue. So, what would be the reason for that? Are we front-loading any capex that you're planning? And accordingly, could you give us more color on the 4-wheeler capex that we were deciding what is the amount? And is there any greenfield according to the RFQs and interest that we're seeing in the product?

Management: Yes. So let me question -- let me answer your first question that is about the employee cost. So as a percentage of sales this year -- for full year, this is 13.80%. And earlier also, this is the same range..13.62%. So there is no major change. And some of the difference you will see this because of the increase in the labor cost notified recently.

Management: And on the other part you asked on the 4-wheeler capex, as we have highlighted in the past, our capex program, if you look at it, we look at it at a company level. We have a projected capex of INR200-odd crores over the next 2 years. Last year, we did approximately INR108 crores, and we will continue to invest in our facility.

Some of the 4-wheeler initiatives that we are doing will already be covered in this INR200 crores. If any greenfield project is put up either for 2-wheeler or 4-wheeler, we will advise you well in advance. At this point of time, that is not envisaged. This INR200 crores takes care of everything.

Khush Nahar: Okay. All right, sir. And in terms of RFQs, I think you're sitting on around INR700 crores of RFQs. So any update on that in terms of conversion into business and what kind of pipeline or traction we are seeing in the 4-wheeler business?

Management: Yes. As we already informed the last call also, it is already there, and we are converting -- we have already converted 70% of those RFQs into a business and which will be under development right now.

Moderator: The next question is from the line of Anubhav Mukherjee from Prescient Capital.

Anubhav Mukherjee: Am I audible now?

Moderator: Yes Sir.

Anubhav Mukherjee: Firstly, congrats on a very good set of numbers. Sir, you mentioned about new business from Mahindra. So, can you share some color on like did we win some business for new models? And what type of ramp-up can we see like in FY27? Some color on that will be very helpful.

Management: Yes. We were continuously informing about our business, what we did and what we are doing as of now with Mahindra. We started our business 1.5 years before, and we are slowly and gradually be increasing one other part, which are as a second source. And there are a few projects

which are being coming as a first source also. And we are working and we have already projects in pipeline, which will be soon once this will be launched, we'll inform you in advance.

Anubhav Mukherjee: Okay. And sir, my second question is like what type of ramp-up are we seeing in Hero MotorCorp? You had in the previous call mentioned about some new model launches in which we are present. So, can you share some more details on that?

Management: Yes. There are two models which is being launched in last quarters, two quarters. These all models are running well. And further on, EV models, which is already being included in our CMD speech, EV model also being awarded to us, and we will soon be give you the feedback once these models will be in the market, once it will be launched.

Anubhav Mukherjee: Okay. Just a small follow-up. I think Hero launched a new refresher version of Splendor, I think Super Splendor XTEC. So, is that a model for which we are like a supplier?

Management: As of now, we are not with the Splendor, but we have other model which is being launched and are working for new models, which will -- as of now, we cannot disclose it.

Anubhav Mukherjee: And sir, for exports, we were doing some product development for Mercedes and we had, I think, visited our plant. So any new business win in that area.

Management: Yes. As we had already informed that Mercedes has given us a business, which will be a testing and validation project. So this model is being well developed, and we had submitted our samples for their testing and validation. Once their testing will be over, the final RFQs will be given to us for the next model development.

Anubhav Mukherjee: Sir, final question before I get back in the queue. Sir, given the commodity inflation and I think we have some import of LED chips and given the INR depreciation, could you give some perspective on where you see the margins in the coming financial year?

Management: Yes, you're right. There is -- obviously, in the market, there is this whole supply chain disruption, which may -- which is causing price escalations in a number of our products. We also have some imports that we cater to. But what we've kind of explained to you in the past, for us, these are all pass-throughs. It's all very well known and understood by the customers.

So these are passed on this price escalations, any increase or decrease, both ways is passed on to the customer. It may happen with a lag of a quarter here and there. But over a period of time. So for the full year, we continue to maintain our guidance that we will be in the current margin, which is a 14% EBITDA plus is what we target for.

Moderator: The next question is from the line of Arun Agarwal from Kotak Securities.

Arun Agarwal: Sir, my first question is on the 4-wheeler business. Like one of the earlier participants talked about RFQs of around INR700 crores, and we are talking about 70% of that getting converted into business. So that would be around INR500 crores possibly. So is it possible for you to help us understand how the scale-up of revenues in this would happen, say, in the first year or second just a tentative understanding sir on this part.

- Management:** No, thanks for that question. Yes. See, first of all, let me just clarify that 700% (700 Crore) RFQs going into the next phase. That's not converting into an order. So let us not read it as conversion into a fixed order. Now specifically, over the last 2 years, we've kind of explained to you individual details in terms of how we have progressed with Mercedes, how we have progressed with Mahindra and several other customers.
- So the order book is starting to come in, but it is still relatively low. But if I have to give you a broad guidance for the year, our current 4-wheeler business would be in the range of INR100 crores to INR150 crores for the current year.
- And going forward, we definitely expect this to move up significantly faster to INR200 crores to INR250 crores for the FY27-28. So we've explained to you, these are kind of hard-working businesses. It takes a while for these orders to come through. So we will see a limited impact coming in this year, and I would say, more meaningful impact in financial terms starting next year.
- Arun Agarwal:** To clarify, you said INR100 crores to INR150 crores FY27, correct, sir?
- Management:** That's right.
- Arun Agarwal:** And for FY28, sorry, I missed the number you said, it would move to...
- Management:** INR200 crores to INR250 crores range Okay, INR200 crores to INR250 crores.
- Arun Agarwal:** So also just one small thing. Did we also give the cash balance at the start? Sorry, I missed that part in case...
- Management:** It's around INR260 crores as of today. INR276 crores as of today.
- Arun Agarwal:** Okay. INR270 crores. Okay. Sir, my other question is on the revenue growth, what we have talked about in the past. So we should be growing by, say, 15% to 20% and outperform the industry growth. So going by the current scenario where currently well, the 2-wheeler industry is doing well, but then there are talks about some moderation in growth that could happen because of El Nino or weaker monsoon. So do we still maintain that annualized revenue growth of 15% to 20% going forward? -- margins you already guided on the revenue...
- Management:** Yes. We continue to be optimistic for the year. We believe that the year and the subsequent year look okay, and we'll continue to maintain 15% to 20% growth.
- Arun Agarwal:** Sure, sir. Sir, just one more thing. At the start, I think we talked about the LED penetration. For us, I think from the auto revenues right now, almost around 63%, 64% comes from the LED and balance 36%, 37% possibly comes from the halogen side. Just wanted to understand if you can guide us on the -- for the 2-wheeler industry, I'm talking about not necessarily. But for the 2-wheeler industry, as per your understanding, what would be the current LED penetration, if you could help us possibly both in value and volume terms is possible.
- Management:** Very tough to give a specific number because there are just too many models and they keep changing back and forth. We've seen some move into LED and then come back to lighting. We

-- the only thing we can give you a specific well regarding number is that our pipeline is almost 100% LED. So going forward, this number, which is 63% will progressively keep moving up. Now whether it happens to go to 80% in 3 years or 75% or 82%, we can't predict, but this number is going up directionally.

Moderator: The next question is from the line of Yash from Awriga Capital Advisors LLP.

Yash: Sir, my question is on the 4-wheeler strategy. Under Mr. Vineet, you had to talk about the 4-wheeler strategy on this call. So, can you throw some light on it? And is there any delay on the strategy? And also Mr. Vineet Sahni was supposed to talk about the strategy on this call. So what can be the reason for him resigning because you also offered an extension, I think, in March or January.

Management: Yes. So three different points there. First, let's address the point. Vineet Sahni has left and decided to pursue other interests. He served with us for a 3-year period. And at an extension time, we mutually decided that it is something that he wants to pursue other opportunities. Now what he's done is that we have had sort of put together a very solid base for our 4-wheeler business. We've worked hard over the last 2, 3 years. We've got talent. We've got team. We've got all the organizational structure in place now to accelerate this business.

So to your other question, the strategy will be put forward. The new leadership team of 4-wheeler is Mr. Rajesh Sharma and Rahul Jain, who are personally seeing both the businesses. And of course, Mr. Jain is also now personally taken this on. So we will present to you a more detailed strategy on this shortly. But under no sort of circumstances, should you think that there is any derailment in any way. We are moving forward. And we've also given you a little bit of revenue guidance today in terms of what numbers we can produce here. But a more detailed strategy, we will produce at the future. And we continue to be very bullish in terms of what we can do in this segment because we are starting from a low base, we do very well.

Moderator: The next question is from the line of Akshay Shah from Ashika Investment Managers Private Limited.

Akshay Shah: Congrats on a great set of numbers, first of all. And most of my other questions have been answered, but I will ask you this. If you could just help me with the price of -- average price of a halogen lighting setup versus, say, LED, just maybe average figures.

Management: It is very difficult to reply the answer because it is totally depend on the product wherein front lighting, rear lighting, what all kind of operations, what all kind of systems will you be adding there. The product is not only headlight, this is not high beam low beam. There is a sequential lighting also. There is a position light, there is a DRL. So it is very difficult. But conventional to LED, it is 3 to 4x.

Akshay Shah: Okay. Right. And since we expect the current LED penetration of 63% to keep inching up, can we see more uptick in margins due to that due to higher LED share?

- Management:** We've always maintained that the margins are -- I mean, across -- at the product level pretty much similar. So, our margin take into account everything, and our margins will be similar to what we are guiding towards 14%, around 14%.
- Moderator:** The next question is from the line of Khush Nahar from Electrum PMS.
- Khush Nahar:** Sir just one question. Are we still ---
- Moderator:** Sorry, sir, your voice is breaking out. We can hardly hear you.
- Khush Nahar:** So my question was regarding the new CEO. Are we still looking out for a new CEO to head the 4-wheeler division? Or are we confident that we'll be able to drive the growth ahead since all the strategy is in place?
- Management:** No, no. We have enough management bandwidth within the company. We are just -- the point we had made is Rahul has taken over as the Managing Director. What we are trying to explain is that to give particular focus to this new segment, he besides the normal operation, he, along with Mr. Rajesh Sharma, will also personally look into growing 4-wheelers so that it gets a desired attention, but we are not looking for a specific CEO for that division. We have enough management bandwidth...
- Khush Nahar:** And just to get a confirmation, you said the EBITDA margins consolidated will be around 14%, including the 4-wheeler business. It is in a similar line, right?
- Management:** That's right.
- Moderator:** The next question is from the line of Anubhav Mukherjee from Prescient Capital.
- Anubhav Mukherjee:** Sir, in the 4-wheeler business, we have mentioned that obviously we are trying to scale up our business with Mahindra & Mahindra. And also, I think we have started some supplies to Force Motors. But do we see an opportunity to work with other OEMs like Tata Motors or Maruti what will it take to penetrate these other means.
- Management:** Yes. We are, of course, we are bullish about 4-wheeler as we have already communicated in the past and now also. We are working very closely with all the customers, especially Mahindra, Force Motor and Tata Motors too. And slowly and gradually, once these models will be launched and market will gain and confident on our technology, we will slowly and gradually will start with Maruti also.
- Anubhav Mukherjee:** Okay. our revenue growth for this financial around 5%, which seems to be lower than the wholesale volumes for HMSI. And in the previous call, we had mentioned that it's mainly a product mix issue and we are looking to supply to some of the new models. So sir, can you share some color on like what type of new model business in HMSI are we getting?
- Management:** The new business we are getting continuously, but the launch will be, of course, decided by the company. We are ready with the product, which will be launched soon, and you will know once this will be launched because before that, we cannot announce. But whatever business share as of now, we are maintaining the same.

- Anubhav Mukherjee:** And sir, final question before I get back in the queue. Sir, for Yamaha, what type of scale do you see in the coming financial year? Because for Yamaha also, you had mentioned some new models. So have they gone into production?
- Management:** Yes, there are a few models which are already been started, which are all export model, export to Europe as well as Brazil. And further on 8 or 9 models are under development, which will be soon come into production. Those are for domestic as well as global models.
- Anubhav Mukherjee:** So compared to this year, do we believe further better growth in Yamaha in the coming financial.
- Management:** Yes. We are bullish for that.
- Moderator:** The next question is from the line of Sahil Sanghvi from Monarch Network Capital Limited.
- Sahil Sanghvi:** Congratulations again on very good results. My question is we were also working on some projects with respect to the ambient lighting and some new age lighting products. So what happens about that? And how do we take that ahead, if you can help us understand that?
- Management:** Sorry, one time again...
- Sahil Sanghvi:** So we are working on a few products on the ambient lighting side and other new age front lamps and all of that. So what happens on that front, the fog lamps and a few other things? Do we continue working on that? How do we think on those things?
- Management:** Yes. We are continuously working on that. And there are a few products which are under POC as of now. Once proof of product will be ready, we will be again visiting our customers to show them the technology, which is being discussed and validated at the time of initial development of meetings. And we are closely working with our partners.
- Moderator:** The next question is from the line of Rahul Majethia from ER.
- Rahul Majethia:** My question is more on our insurance cost after Tapukara fire and insurance claim, do we expect upward pressure on our insurance and renewal costs or perhaps on our borrowing costs because of this?
- Management:** Yes. So let me split your question in two. One is about the borrowing. We already have a very healthy cash in our hand. So, there is no question of borrowing cost in our company. Now coming to the insurance, see, this -- when you seek the renewal for an insurance policy, dynamics at that time works. So maybe this year, we paid some higher premium. Next year, that will be again negotiated with the players. So it is decided on that time only.
- Moderator:** The next question is from the line of Vinay Nadkarni from Hathway Investments Private Limited.
- Vinay Nadkarni:** Yes. I have just one question. When I see your quarter 4 results, your automotive lighting, not the LED part, the other automotive lighting has actually shown a growth. Now is this a onetime thing? Or is this something which is going to be sustained going forward?

- J. K. Jain:** LED is going to be future.
- Management:** So, as already explained, our LED lighting share within the automotive lighting is increasing. So whatever you -- I mean in some quarters, if you see some increase in non-automotive, I don't know from where you are leading, but we're continuously increasing 1% or 2% every quarter in LED lighting.
- Management:** Last year, it was 60%. This year, it is 63%.
- Vinay Nadkarni:** No, I was talking about the non-LED automotive lighting.
- J. K. Jain:** Decreasing.
- Management:** This is decreased. Naturally, it increase in the LED -- are you referring some slide in the presentation?
- Vinay Nadkarni:** Yes. I'm basically referring to your Slide number 4, where you talk of Q4 28.2 automotive lighting, which around INR212 crores as compared to Q4 INR171 crores. So there's a 24% growth in automotive lighting and LED growth is 19%. So, I was just thinking, is this a one-off thing or maybe some models which came about...
- Management:** Okay. So this slide, you please see it is here the total sales of the company split into the LED and non-LED as well as the plastic and rearview mirrors. So, when we talk about the automotive lighting only, the split is between the LED and non-LED. So, this -- the chart you are referring, it is actually showing the whole percentage rearview mirror as well. If anything, clarification required, you can reach out offline as well.
- Moderator:** The next question is from the line of Akshay Shah from Ashika Investment Managers Private Limited.
- Akshay Shah:** Could you please help me with the current capacity utilization that we are working with?
- Management:** Yes. Current capacity utilization is in the range of 75%. We have done a capex of INR108-odd crores this year to debottleneck some of the lines. And we continue to invest over the next 2 years as we see the demand going up. So from a capacity perspective, we are well geared to handle our growth.
- Moderator:** The next question is from the line of Adithya Srinivasan, an Individual Investor.
- Adithya Srinivasan:** Congrats on a good set of numbers. So I'm just trying to look at the products other than the auto lamps, the rear-view mirrors, plastic molded parts, the revenue share has been marginally decreasing year-over-year. So I just want to understand the outlook for the next year and if it's going to continue to decrease? So if you can help me understand that. This is the only question I had.
- Management:** Okay. So again, because our main product line is the automotive lighting, and this is increasing very good way. So you are just seeing that percentage terms -- the total amount is also increasing

in the rearview mirror as well as the other parts, but this is very slow in comparison to the lighting. So this is the difference actually.

Management: Just to explain, this is not a stand-alone product, so to speak, which we pursue too much. It goes to the same set of customers where lighting is going. So kind of ancillary to the main lighting product. And it continues to be sort of in the similar direction mainly because our aim always has been to be a leading automotive lighting company, which is where our focus has been.

Moderator: The next question is from the line of Shubham Sehgal from SIMPL.

Shubham Sehgal: I just had one question. So, all of the 4-wheeler orders that we are pursuing and as you mentioned that we are targeting around INR100 crores to INR150 crores for FY27. So, I just wanted to get an idea regarding the margins. So, are we expecting our 4-wheeler business overall to be margin accretive? Or will it be similar margins as we are earning right now?

Management: See, I think the way we look at this business is at a holistic level. Right now, that business is too small to look at individual margin. Overall, we can continue to guide even while we grow this business, it will be at neutral margins. This is the margin range that we think we can follow for the next 2, 3 years.

Shubham Sehgal: Okay. Okay. Got it. My next question was, could you just go a little bit in depth and elaborate about the advanced EMI/EMC validation facility that we have opened up? And like is it -- will it support more of the current product development? Or is it for newer products? And could you just give some color about it?

Management: So, EMI/EMC facilities, which is being installed by us, which is one kind of facilities, which is being installed by only a lighting company wherein -- and this will support us in reducing the overall development time, validation of product during the development of Proto to the mass production, which will give us engineering strength of Fiem with a product which will be not only used for domestic for global market too. Overall, electronics is beginning to be a very critical component. And all this will happen in-house here in the -- will help the EMC lab will really help accelerate.

Shubham Sehgal: Okay. Okay. Got it. Like I think you earlier also mentioned that we would be supplying to Norton as well a different kind of a lamp, right, with the different kind of technology. So it will help with this, right?

Management: Yes, it will help EMC/EMI is being required any kind of lamp, which is being used semiconductors. Any electronic component is being used, the test is being done outside by each and every component. This is being installed inside so to reduce the overall development time and not to wait for the time which is being taken from our outside testing agencies.

Shubham Sehgal: Okay. Okay. Got it. And just one more update. I think in the last year or last to last year's annual report and earlier, we had even discussed that we were currently developing new products, not a different technology for the current products, but a new product entirely, like the touch capacitors, the laser technology or something other. So any update regarding these new products? When we expect -- when can we expect to launch them?

- Management:** We are ready with the POC. Proof of concept is most important, first of all, and we are discussing with all the customers. It is -- these all facilities and technology is being introduced first by the Indian government, wherein safety norms is being introduced. We are just waiting for those norms to be introduced, and we are ready for adopting this kind of technology with the proof of concept and with the engineering, which is being already taken and proven at our end.
- Shubham Sehgal:** Okay. And will these new technologies be more for the 4-wheeler or 2-wheeler or like nothing any specific?
- Management:** This is in 2-wheeler, 4-wheeler both, not only for specific any segment. This will be implemented with all the segments.
- Shubham Sehgal:** Okay. Okay. Got it. And it would be for newer models only itself, right? And so can we expect it to be like in the market in the next 2 or 3 years or something like that? Or you have no idea when the norms would be?
- Management:** As of now, no idea because it totally depend on the customers when they will adopt this kind of technology.
- Moderator:** The next question is from the line of Deep Chandarana from Equity Research analyst Individual Investor.
- Deep Chandarana:** Am I audible?
- Moderator:** Hello Sir, can you hear me? Deep Sir?
- Deep Chandarana:** Am I audible?
- Moderator:** No Sir. You are not audible. Your voice is breaking up. Ill request you to fall in the queue again. The next question is from the line of Anubhav Mukharjee from Prescient Capital.
- Anubhav Mukherjee:** Thank you for the follow up opportunity. Sir will it be possible to share our R&D expenses for the financial year '26, 25-26?
- Management:** Yes, this will be -- this is more than 2%, around 2%. So it will come in the full annual report. You will see it.
- Anubhav Mukherjee:** Congrats on substantial spend on R&D, especially in the auto component sector. Can you give some color on like what are the key focus areas or KPIs for the R&D effort?
- Management:** See, there are a few benefits which are mostly being required to set up this kind of R&D. And we are always the first to adopt such kind of technology within our organization. So EMI/EMC, this is being required mainly for any kind of electronic component, which is being used in automotive industries or in any industries. And this will be reducing the overall development time and giving the quality product to the customer in first attempt and first go and first write. This is a major attempt which is being required.

Moderator: As there are no further questions from the participants, I now hand the conference over to Mr. Sahil Sanghvi for closing comments.

Sahil Sanghvi: I just want to thank the management for patiently answering the question. Please go ahead, sir, for the closing remarks.

J. K. Jain: I would like to thank everyone for participation in today's conference call. I hope that we have adequately addressed all your queries. If you have any further questions, please don't hesitate to contact us. Thank you, and have a good evening.

Moderator: Thank you very much members. On behalf of Monarch Network Capital Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Note: There has been some disturbance in audio during the call. For sake of clarity, transcript has been corrected at some places, post receipt from Chorus Call.